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Copyright Infringement: Producers of Seinfeld Overcome Publisher's Fair Use Defense Using the Show's Strongest Weapon--Nothing: Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.

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COMMENT

COPYRIGHT INFRINGEMENT: PRODUCERS OF *SEINFELD* OVERCOME PUBLISHER'S FAIR USE DEFENSE USING THE SHOW'S STRONGEST WEAPON—NOTHING: *CASTLE ROCK ENTERTAINMENT, INC. V. CAROL PUBLISHING GROUP, INC.*

The Constitution grants Congress the power “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”¹ In line with these goals, the Copyright Act of 1976² grants copyright owners many exclusive rights, including the right to reproduce work, the right to prepare derivative works, and the right to distribute copies of the work.³ Unauthorized copying by another may constitute

¹ U.S. CONST. art I, § 8, cl. 8. The underlying policy is that potential progress will be maximized if individuals are given sufficient incentive to make their work accessible to the public. See *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 558 (1985) (citing *Mazer v. Stein*, 347 U.S. 201, 209 (1954)). The protection individuals receive is limited to allow, and even encourage, the public to make further use of individuals' contributions. Thus, financial benefit to the creator is incidental rather than central to the doctrine. See *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975) (discussing the balance between the economic incentive to the author and the need to promote availability of copyrighted materials to the public). Copyright limitations are necessary to further public interest but should not be so burdensome that they deprive authors of a fair share of the revenue generated by their works. See *Stewart v. Abend*, 495 U.S. 207, 229 (1990) (quoting REGISTER OF COPYRIGHTS, COPYRIGHT LAW REVISION, 87th CONG., 1st SESS., 6 (Comm. Print 1961)). Although protection is for a limited time, nothing prevents the author from hoarding his rights during that time. See *Stewart*, 495 U.S. at 228–29. The Supreme Court has held that a copyright holder can arbitrarily refuse to license a work. See *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932).

² See 17 U.S.C. §§ 101–803 (1976).

³ See 17 U.S.C. § 106 (1994). Section 106 provides in part:

Subject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

infringement upon the rights of a valid copyright owner.⁴ This is not the case if the copied material is an idea⁵ or fact⁶ rather than

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending; . . .

Id. § 106.

A derivative work is defined as one:

based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgement, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."

17 U.S.C. § 101 (1994).

⁴ See *Repp v. Webber*, 132 F.3d 882, 889 (2d Cir. 1997), *cert. denied*, 119 S. Ct. 52 (1998); *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991). A plaintiff must show both ownership of a valid copyright and unauthorized copying by the defendant. See *Laureysens v. Idea Group, Inc.*, 964 F.2d 131, 139 (2d Cir. 1992) (citing *Rogers v. Koons*, 960 F.2d 301, 306 (2d Cir. 1992)); *Folio Impressions, Inc. v. Byer Cal.*, 937 F.2d 759, 763 (2d Cir. 1991); *Weissmann v. Freeman*, 868 F.2d 1313, 1320 (2d Cir. 1989)). The two issues to be proven by the plaintiff for a *prima facie* case of copyright infringement are actual copying and improper or unlawful appropriation. See *Feist Publications*, 499 U.S. at 361.

⁵ "In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work." 17 U.S.C. § 102(b). Copyright law does not protect ideas, although the way they are expressed may be protected. See *Craft v. Kobler*, 667 F. Supp. 120, 123 (S.D.N.Y. 1987). Direct quotation or copying of a copyrighted work is infringement unless justification is shown. See 17 U.S.C. § 106. Protected writing is also infringed by close paraphrase. See *Salinger v. Random House, Inc.*, 811 F.2d 90, 97 (2d Cir. 1987). The difference between idea and expression is not always easy to determine. See *Reyher v. Children's Television Workshop*, 533 F.2d 87, 91 (2d Cir. 1976). Copyright does not protect thematic concepts or scenes that necessarily follow from common plot situations. See *id.* These are often referred to as "scenes a faire." *Id.* For example, an author's story about a quarrel between a Jewish and an Irish father whose children's marriage leads to their reconciliation, was not infringed upon by a film with a common storyline. See *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930).

⁶ Facts cannot be copyrighted, but compilations of facts are within the subject matter of copyright. See *Feist Publications*, 499 U.S. at 344-45. There is a prerequisite of originality for copyright protection. See *id.* To qualify as "original" a work must be independently created by an author and must show a minimal degree of creativity. See *id.* Facts, in and of themselves, do not satisfy constitutionally mandated originality requirement of copyright. See *id.* at 346-48. Facts do not owe their origin to an author. See *id.* Factual compilations, on the other hand, may be found to have a minimal degree of originality and will then qualify for copyright

an expression, or if the copied material falls within the realm of a fair use,⁷ such as: criticism, comment, news reporting, teaching, scholarship, or research.

protection. *See id.* at 348. If so, the protection will only extend to original elements of the work. *See id.* For example, an original manner in which facts are expressed or an original format in which facts are arranged will be protected. *See id.* at 348–49. The underlying facts, however, may be freely exploited. *See id.*; *see also* National Basketball Ass'n v. Motorola, Inc., 105 F.3d 841, 847 (2d Cir. 1997) (explaining that although a broadcast is copyrightable, the actual event, such as a basketball game, is not, because broadcasts have an author unlike the underlying events which do not).

Note that there are cases in which the informational value of the facts presented cannot be separated from the expression itself. If the public interest in disseminating such facts is great, a court will probably hold that an appropriation of the facts by one other than the copyright holder is fair use. *See* *Monster Communications v. Turner Broad. Sys., Inc.*, 935 F. Supp. 490, 494 (S.D.N.Y. 1996) (explaining that the protection afforded to film footage of Muhammed Ali and George Foreman training for a fight in Zaire must be balanced with the public's need for having competing biographers tell the fighters' stories). For a case in which the type of informational content weighed heavily against the copyright holder, *see Time Inc. v. Bernard Geis Assocs.*, 293 F. Supp. 130 (S.D.N.Y. 1968), where defendant's unauthorized usage of the Zapruder film of the Kennedy assassination was found to be fair use, largely due to public interest. *See* *Arica Inst., Inc. v. Palmer*, 970 F.2d 1067 (2d Cir. 1992) (determining that ego fixations cannot be copyrighted, because they are a factual discovery rather than a philosophical creation); *see also* *New Era Publications Int'l v. Carol Publ'g Group*, 904 F.2d 152 (2d Cir. 1990) (dealing with publication of L. Ron Hubbard's writing on The Church of Scientology).

⁷ *See* *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 547 (1985) (explaining that copyright owner's rights exclude facts and ideas, and fair use). Note that another possible defense to copyright infringement is that the use of the copied material was de minimis. If this defense is applicable it should be made prior to a fair use defense. If the court finds that the copying was de minimis, no cause of action will lie for copyright infringement and there will be no need to reach the issue of fair use. *See* *Sandoval v. New Line Cinema Corp.*, 147 F.3d 215 (2d Cir. 1998) (affirming district court's holding that defendant's use of plaintiff's photographs was de minimis, but stating it was error to resolve a fair use claim without first determining whether the infringement was de minimis); *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 76 (2d Cir. 1997) (stating that fair use analysis need not be reached when use of copied material is insubstantial); 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §13.03[F][5] at 13-145 to -147 (1999) (describing de minimis standard as below the quantitative threshold of substantial similarity).

Unauthorized but fair uses of copyrighted material do not constitute copyright infringement. *See* *Harper & Row, Publishers*, 471 U.S. at 549. The fair use doctrine has developed side by side with copyright protection in order to ensure that the goal of progress, as articulated by the Constitution, is achieved. *See* *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994). The doctrine of fair use creates a privilege for one other than the owner of a copyright to use the copyrighted material in a reasonable manner absent consent. *See* *Rosemont Enters., Inc. v. Random House, Inc.*, 366 F.2d 303, 306 (2d Cir. 1966) (quoting BALL, COPYRIGHT AND

The preceding list of possible fair uses⁸ is neither exhaustive nor dispositive.⁹ Congress has stated that the following factors should be considered when making a fair use determination: the purpose and character of the use, whether it is of a commercial nature or for non-profit educational purposes, the nature of the copyrighted work, the amount and substantiality of the portion used in relation to the copyrighted work as a whole, and the effect upon the potential market for, or value of, the copyrighted work.¹⁰ This fact sensitive¹¹ multifactor¹² analysis is not to be

LITERARY PROPERTY 260 (1944)). Fair use balances the exclusive rights of a copyright holder with the public's interest in access to valuable information. *See* *Wainwright Sec. Inc. v. Wall Street Transcript Corp.*, 558 F.2d 91, 94 (2d Cir. 1977). In *Wainwright*, the court held that defendants' publishing of abstracts of plaintiff's financial research reports was not a fair use. *See id.* at 96. The defendants argued that not only was their use fair but that the publication of abstracts deserved First Amendment protection. *See id.* at 95. The court rejected the First Amendment argument, acknowledging that conflicts between the First Amendment and copyright laws have been resolved in favor of fair use. *See id.* (citing *Walt Disney Prods. v. Air Pirates*, 345 F. Supp. 108, 115 (N.D.Cal. 1972), *aff'd in part, rev'd in part*, 581 F.2d 751); *McGraw-Hill, Inc. v. Worth Publishers, Inc.*, 335 F. Supp. 415, 422 (S.D.N.Y. 1971)). Thus, fair use may overcome a First Amendment challenge.

It seems that fair use should be viewed as a limitation on the otherwise broad scope of protection afforded by copyright law, rather than a narrow exception. In essence, fair use is a mitigating doctrine which allows courts to avoid a "rigid application" of the copyright statute in instances where such an application would inhibit the very goals the statute was intended to promote. *See* *Iowa State Univ. Research Found., Inc. v. American Broad. Cos.*, 621 F.2d 57, 60 (2d Cir. 1980).

⁸ Fair use was judge-made doctrine until the passage of the Copyright Act of 1976 in which Justice Story's view is recognizable. *See* *Campbell*, 510 U.S. at 576 (citing *Pierre N. Leval, Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990)). In *Folsom v. Marsh*, 9 F. Cas. 342, 344 (C.C.D. Mass. 1841) (No. 4,901), a seminal opinion in copyright law, Judge Story noted that what constitutes copyright infringement is sometimes clear but can be very subtle and evanescent. In analyzing a copied work Judge Story suggested a multifactor analysis of the nature, extent and value of materials used, the objects of the work and the accessibility to the information used. *See id.* Judge Story then suggested an approach to determining whether use of copyrighted material was permissible in some circumstances. *See infra* note 45.

⁹ *See* *Harper & Row, Publishers*, 471 U.S. at 561. The examples listed appear in the § 107 of the Copyright Act of 1976 and they give an idea of uses that will be considered fair. *See id.* Courts analyze what may or may not constitute "fair use" by weighing each of the factors listed in § 107 however, these factors are not the only ones taken into account. *See* *Wright v. Warner Books, Inc.*, 953 F.2d 731, 736 (2d Cir. 1991) (favoring the defendant because the use made of the copyrighted material fell within § 107).

¹⁰ The fair use defense was recognized in the Copyright Act of 1976. Section 107 of the Copyright Act provides:

simplified with bright-line rules¹³ that elevate one factor above the other.¹⁴ Recently, however, in *Castle Rock Entertainment*,

Notwithstanding the provisions of section 106 and 106A, the fair use of a copyrighted work . . . for purposes such as criticism, comment, . . . scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

17 U.S.C. §107 (1994).

Congress intended § 107 to restate preexisting judicial doctrine rather than change it in any way. See H.R. REP. NO. 94-1476, at 66 (1976); S. REP. NO. 94-473, at 62 (1975). There are courts that have referred to § 107 as a "codification" of the fair use doctrine. Yet, § 107 "is not a typical statutory provision" drafted by Congress, but a restatement of the common law. See William F. Patry & Shira Perlmutter, *Fair Use Misconstrued: Profit, Presumptions, and Parody*, 11 CARDOZO ARTS & ENT. L.J. 667, 674 (1993).

The flexibility of the fair use doctrine allows courts to implement the diverse and sometimes conflicting goals of copyright law, which include providing creators with economic incentives and maximizing public access to their work. See *Feist Publications*, 499 U.S. at 349-50 (stating that the primary objective of § 107 is to promote progress rather than award authors). The four factors of § 107 are interdependent and must be given equal weight. See *Campbell*, 510 U.S. at 578.

¹¹ "Fair use is a mixed question of law and fact." See *Harper & Row, Publishers*, 471 U.S. at 560. If there are no genuine issues of fact, or if, even after resolving all the issues in favor of the opposing party, a court believes that a reasonable trier of fact could only reach one conclusion, then the court may decide if the use in issue qualifies as fair use of the copyrighted material as a matter of law. See *Diamond v. Am-Law Publ'g Corp.*, 745 F.2d 142, 147 (2d Cir. 1984). The fact that a fair use question requires case-by-case examination of specific facts does not mean that in each fair use case there are factual issues to be tried. See *Wright*, 953 F.2d at 735.

¹² Fair use is considered in its totality, thus the moving party does not have to prevail on every factor. See *Norse v. Henry Holt & Co.*, 847 F. Supp. 142, 146. (N.D. Cal. 1994); *Harper & Row, Publishers*, 471 U.S. at 560.

¹³ See *Campbell*, 510 U.S. at 577 (warning that there are no "bright-line rules" for the fair use doctrine and that any analysis should be made on a case-by-case basis) (citations omitted); Patry & Perlmutter, *supra* note 10, at 672 (1993) (remarking that "[t]he plain words of section 107 rule out application of brightline tests"). Fair use is not a mechanical application. See *Association of Am. Med. Colleges v. Cuomo*, 928 F.2d 519, 524 (2d Cir. 1991).

¹⁴ Instead, courts are required to use inductive reasoning in making their decisions. When engaging in inductive reasoning one seeks support for a conclusion

Inc. v. Carol Publishing Group, Inc.,¹⁵ the Second Circuit Court of Appeals engaged in such a conclusory analysis¹⁶ when it placed excessive emphasis on the first factor¹⁷ of the fair use test, under § 107 of the Copyright Act of 1976.¹⁸ The court held that *The Seinfeld Aptitude Test* ("The SAT"), a trivia book about events and characters depicted on the television program *Seinfeld*, unlawfully copied from *Seinfeld* and that its copying did not constitute fair use and was thus actionable infringement.¹⁹

In *Castle Rock Entertainment*, defendants, Beth B. Golub ("Golub"), *The SAT*'s author, and Carol Publishing Group, Inc. ("Carol Publishing"), its publisher, appealed from the judgment of the district court granting the plaintiff, Castle Rock Entertainment ("Castle Rock"), the producer and copyright owner of each *Seinfeld* episode, summary judgment on a copyright infringement claim.²⁰ *Seinfeld* was a sitcom that revolved around the daily annoyances in the lives of four single adult friends

through methods such as analogy or cause and effect. One must make a logical leap between the premises and the conclusion. In deductive reasoning, the premises directly ensure the conclusions. The deductive process may be viewed as more simplistic.

¹⁵ 150 F.3d 132 (2d Cir. 1998).

¹⁶ Once the court found *The SAT* non-transformative, it gave little weight to the other statutory factors. See *Castle Rock Entertainment*, 150 F.3d at 142-43.

¹⁷ See *id.* More specifically, the court placed emphasis on what it found to be the non-transformative value of *The SAT*, as will be explained further throughout this Comment.

¹⁸ See *supra* note 10 (quoting language of Copyright Act of 1976).

¹⁹ See *Castle Rock Entertainment*, 150 F.3d at 146. The court concluded "that the copyright law's objective 'to promote the Progress of Science and useful Arts' would be undermined by permitting *The SAT*'s copying of *Seinfeld*." *Id.*

²⁰ See *id.* at 135. The district court, pursuant to FED. R. CIV. P. 56(c), granted plaintiffs' motion for summary judgment. In addition, the court denied defendants' cross-motion for summary judgment, awarded plaintiff \$403,000 for defendants' copyright infringement, and permanently enjoined defendants from publishing *The SAT*. See *id.* Castle Rock had originally filed an "action alleging federal copyright and trademark infringement and state law unfair competition." *Id.* at 136. Both parties moved for summary judgment on both claims. See *id.* The district court granted summary judgment to the plaintiff on the copyright claim, held that defendants had violated plaintiffs' copyrights in *Seinfeld*, and held that the copying did not constitute fair use. See *id.* The district court did not grant summary judgment to either party on the unfair competition claim. See *id.* at 137. The parties stipulated to damages and attorney's fees on the copyright infringement claim and to dismissal without prejudice of all remaining claims. See *id.* Carol Publishing's cross-claims against Golub were dismissed with prejudice. See generally *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 955 F. Supp. 260 (S.D.N.Y. 1997), *aff'd*, 150 F.3d 132 (2d Cir. 1998).

living in Manhattan.²¹ *The SAT* was a book written by Golub based on the notes she took while watching episodes as they aired on television and while reviewing them on videotape.²² The book included 643 trivia questions drawn from the 84 out of 86 episodes that had been aired as of the time the book was published.²³ These included 211 multiple choice questions, 93 matching questions and a remainder of short-answer questions.²⁴ Every answer in the book was taken from an episode of the show, though the incorrect answer choices to the multiple-choice questions were created by Golub.²⁵ Actual dialogue from the program was quoted in 41 of the book's questions.²⁶ The parties estimated that 3.6 percent (defendants' calculation) to 5.6 percent (plaintiff's calculation) of the show's dialogue was included in the book.²⁷ *The SAT*'s publication did not immediately provoke a challenge and was even welcomed by NBC, the network broadcasting *Seinfeld*.²⁸ There was no

²¹ See *Castle Rock Entertainment*, 150 F.3d at 135. The characters are, of course, Jerry Seinfeld, George Costanza, Elaine Benes and Cosmo Kramer. (What about Newman? The author wonders).

²² See *id.* at 136.

²³ See *id.* at 135-36.

²⁴ See *id.* at 135. The questions were divided into the following five levels in increasing order of difficulty: " 'Wuss Questions' ", " 'This, That, and the Other Questions,' " " 'Tough Monkey Questions,' " " 'Atomic Wedgie Questions,' " and " 'Master of Your Domain Questions.' " See *id.* The following are sample questions:

1. To impress a woman, George passes himself off as

- a) a gynecologist
- b) a geologist
- c) a marine biologist
- d) a meteorologist.

....

11. What candy does Kramer snack on while observing a surgical procedure from an operating room balcony?

12. Who said, "I don't go for those nonrefundable deals . . . I can't commit to a woman . . . I'm not going to commit to an airline"?

- a) Jerry
- b) George
- c) Kramer

Id. (omissions in original) (footnote omitted) (quoting *The SAT*).

²⁵ See *Castle Rock Entertainment*, 150 F.3d at 136.

²⁶ See *id.*

²⁷ See *id.*

²⁸ See *id.* NBC requested free copies of *The SAT* from the defendants and distributed them together with promotions for the program. See *id.* "Seinfeld's executive producer characterized *The SAT* as 'a fun little book.' " *Id.*

evidence that *The SAT* actually harmed *Seinfeld*'s profitability.²⁹ The plaintiff did, however, demonstrate that it had exercised its ownership rights in a highly selective manner.³⁰

The first issue the court dealt with was whether *The SAT* took sufficient protected expression from *Seinfeld* as evidenced by the book's similarity to the television series, such that in the absence of defenses, the book would infringe the copyright in *Seinfeld*.³¹ The court applied a two-part test, which required the plaintiff to prove the work was actually copied ("probative similarity")³² and that the copying constituted an unlawful or improper appropriation ("substantial similarity").³³ In the case at bar, actual copying was acknowledged by the defendant.³⁴ Thus, only the second prong of "substantial similarity" remained to be proven.³⁵ The court analyzed both quantitative and qualitative aspects of the material copied.³⁶ Using an aggregate analysis that treated the copyrighted work as one single unit, although the 643 fragments were taken from 84 individually copyrighted episodes, the court found that *The SAT* passed the quantitative similarity threshold.³⁷ Next, the court found that *The SAT* copied creative expression and was qualitatively similar to the program.³⁸ The court then dealt with the second issue of

²⁹ See *id.*

³⁰ See *id.* Castle Rock rejected several proposals from publishers for a variety of projects. See *id.* Castle Rock licensed one *Seinfeld* book, *The Entertainment Weekly Seinfeld Companion*, and has also licensed the production of a CD-ROM product that will include discussion of the program and may include trivia questions. See *id.*

³¹ "Fair use is a mixed question of law and fact." See *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985). As such, the court of appeals reviewed the district court's legal conclusions de novo and its finding of fact for clear error. See *Castle Rock Entertainment*, 150 F.3d at 136-37.

³² This element is proven by direct evidence of copying or indirect evidence, including access. See *Repp v. Webber*, 132 F.3d 882, 889 n.1 (2d Cir. 1997).

³³ This is made up of quantitative and qualitative elements as explained in the text that follows. See *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131, 140 (2d Cir. 1992).

³⁴ See *Castle Rock Entertainment*, 150 F.3d at 137.

³⁵ See *id.*

³⁶ See *id.* at 138-39.

³⁷ See *id.* at 138.

³⁸ See *id.* at 138-39. The court rejected the applicability of alternative substantial similarity tests suggested by the defendant, yet went through the motions of applying them. See *id.* at 139-41 (discussing other possible tests for substantial similarity, such as the "ordinary observer" test which focuses on the aesthetic appeal of the work, the "total concept and feel" test which focuses on the theme plot and setting of the work, the "fragmented literal similarity test" which

whether *The SAT* constituted fair use of *Seinfeld*.³⁹ The court weighed the four factors listed in the Copyright Act of 1976.⁴⁰ Reasoning that the element of commerciality of the work was not very important, the court did not give it much weight, only noting that it would favor the plaintiff.⁴¹ The court then reasoned that *The SAT* did not have a transformative purpose, that the copyrighted work was fictional, the amount copied was more than necessary, and that *The SAT* harmed *Seinfeld*'s market by cutting into its niche.⁴² In sum, the court rejected the defendants' fair use defense relying heavily on its finding that *The SAT* was not transformative.

Immediately disposing of the commerciality component of the first factor of the fair use test, the court began its analysis with an assertion that *The SAT*'s transformative purpose was slight to non-existent.⁴³ This conclusion was too extreme. In view of the fact that the transformative value of a work is a matter of degree rather than all or nothing the court should have been more moderate in its evaluation of the work's transformative purpose. The court went on to distinguish between works that are "transformative" and outside of an

focuses on quotations and paraphrasing, and the "comprehensive non-literal similarity" test which focuses on the essence or structure of the work); see also *Horgan v. Macmillan, Inc.* 789 F.2d 157 (2d Cir. 1986) (standing for the proposition that choreography is copyrightable and may be infringed upon by photographs that are substantially similar to a ballet). The test for "substantial similarity" is not whether a work has been reproduced but whether it is substantially similar. See *id.* at 162. For Ninth Circuit treatment, see *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*, 900 F. Supp. 1287 (C.D. Cal. 1995). Honda used a "James Bond-like" scenario in a car commercial aired during the Super Bowl. See *id.* at 1292. The commercial showed a young, well-dressed couple in a Honda del Sol being chased by a helicopter. See *id.* at 1291. A bad guy jumped out of helicopter onto the car's roof and threatened the couple. See *id.* With a flirtatious look at his passenger, the driver released the detachable roof of the car, getting rid of the bad guy and speeding away. See *id.* (Can't you just hear the theme song in your head?). For substantial similarity the Ninth Circuit applied a two-part test. See *id.* at 1297-99. There would be a finding of infringement only if a plaintiff proved both substantial similarity of general ideas under the extrinsic test and substantial similarity of the protectable expression under the intrinsic test. See *id.* at 1297 (citing *Shaw v. Lindheim*, 919 F.2d 1353, 1356 (9th Cir. 1990)); *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1164-65 (9th Cir. 1977).

³⁹ See *Castle Rock Entertainment*, 150 F.3d at 141-46.

⁴⁰ See 17 U.S.C. § 107 (1994); see also *supra* note 10 (listing the four factors).

⁴¹ See *Castle Rock Entertainment*, 150 F.3d at 141-42.

⁴² See *id.* at 141-46.

⁴³ See *id.* at 142.

author's control, and works that "transform" and are within an author's control because they are considered derivative works.⁴⁴ Yet, if there was a bright line separating the domain of works the author controls from the domain of works the author does not control we would not need to engage in an elaborate and sometimes confusing fair use analysis. In addition, the court elevated what it viewed as the non-transformative value of the work to such a high level that it automatically defeated the three other prongs of the fair use test.

This Comment asserts that the court was too quick to pigeonhole *The SAT* as non-transformative and that it created a false dichotomy between transformative and derivative uses. In addition, the court may have unintentionally rigged the fair use test in the plaintiff's favor by finding that *The SAT* was not transformative and allowing that to overshadow the analysis of the other pertinent factors. This Comment will attempt to walk the reader through the four fair use factors despite their bubble-gum like stickiness and to point out the "déjà vu" relationship between the fair use defense and the copyright infringement claim.

I. FAIR USE

Even prior to the Copyright Act of 1976 courts recognized that copying or other appropriation of a copyrighted work did not entail liability if it was reasonable or fair.⁴⁵ The fair use doctrine was an equitable one and was considered so amorphous that it

⁴⁴ See *id.* at 143. A "derivative work" transforms a copyrighted original work into a new mode of presentation. A "transformative work" adds something new—a new meaning or message—to the original. The question of fair use is relevant only to the inquiry of whether a work is transformative, not whether it is derivative. See *id.* at 142–43.

⁴⁵ See *Time Inc. v. Bernard Geis Assocs.*, 293 F. Supp. 130, 144 (S.D.N.Y. 1968). Although the First Congress enacted the initial copyright statute in 1790 without any reference to fair use, the doctrine was recognized by American courts. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 576 (1994). The foundations for fair use as we know it today were expressed by Justice Story in the following manner: "look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work." *Folsom v. Marsh*, 9 F. Cas. 342, 348 (C.C.D. Mass 1841) (No. 4,901).

was indefinable.⁴⁶ In fact, it was once described as "the most troublesome in the whole law of copyright."⁴⁷ Yet, it seems to be at its core.⁴⁸ Modern labels and scholarly definitions have not made the doctrine any more concrete than it was to begin with.⁴⁹ Because this doctrine is extremely fact sensitive it does not yield uniform results, leading in turn to a devaluation of its precedents.⁵⁰ Excessive flexibility comes at the cost of predictability.⁵¹ This strategy may be effective for Madonna. Query whether it is as desirable in the legal profession.⁵²

⁴⁶ See *Time Inc.*, 293 F. Supp. at 144 ("The doctrine is entirely equitable and is so flexible as virtually to defy definition.").

⁴⁷ See *id.* (quoting *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661 (2d Cir. 1939)).

⁴⁸ See Leval, *supra* note 8, at 1110 (stating fair use should not be considered bizarre since it is an important part of the overall design of the copyright monopoly); see also *Stewart v. Abend*, 495 U.S. 207, 236 (1990) (explaining that the fair use doctrine permits courts to avoid rigid application of the copyright statute when it stifles the statute's goals). Thus, fair use is another means of achieving copyright law goals. The fair use defense is almost always asserted in response to copyright infringement claims. It logically follows that a defendant will attempt to claim a fair use privilege because it is so broadly defined. The complexity and malleability of the doctrine allow the defendant great arguing leeway. This of course will not ensure a defendant's success since the judge will possess just as much, if not more, leeway in his or her decision-making process. William F. Patry and Shira Perlmuter assert that "[b]y definition, once the affirmative defense of fair use is invoked, there has already been a finding of infringement. Accordingly, the defendant's use necessarily falls within the area of the copyright owner's exclusive rights and therefore could have been licensed." Patry & Perlmuter, *supra* note 10, at 688. This seems to hone in on the roles the copyright statute and fair use occupy. The copyright statute analyzes facts while the fair use doctrine implements policy considerations. Although the two doctrines have been conceptually separated, it is only through their interplay that the constitutional goals underlying the Copyright Act can be achieved.

⁴⁹ See Leval, *supra* note 8, at 1106-07 (stating that judges do not share a common view on the meaning of fair use).

⁵⁰ See *id.* at 1106 n.9 (giving examples of reversals and divided courts to emphasize the fluctuation of the fair use doctrine).

⁵¹ Deciding fair use cases can be intimidating for judges due to the doctrine's open-endedness. See Patry & Perlmuter, *supra* note 10, at 670 n.18. Judge Leval stated "It has been exhilarating to find myself present at the cutting edge of the law, even though in the role of the salami." *Id.*; see also Pierre N. Leval, *Fair Use or Foul? The Nineteenth Donald C. Brace Memorial Lecture*, 36 J. CORP. SOC'Y 167, 168 (1989)). There is a temptation to resort to the safety of bright-line rules. See *id.*

⁵² See Leval, *supra* note 8, at 1107 ("Writers, historians, publishers, and their legal advisers can only guess and pray as to how courts will resolve copyright disputes.").

A. The First Factor

The first factor of a fair use determination considers the purpose and character of the use of a work, including whether the use is of a commercial nature or for non-profit educational purposes.⁵³ In *Castle Rock Entertainment*,⁵⁴ the court of appeals immediately rendered the commerciality element moot using the same unconvincing argument posed by the Supreme Court.⁵⁵ The reasoning presented was that because most activities in this country are commercial the element of commerciality should be given little to no weight.⁵⁶ Although that statement may be true it does not explain why Congress included the element of commerciality in its fair use roadmap. A more satisfying explanation, made by William F. Patry⁵⁷ and Shira Perlmutter,⁵⁸ based on the legislative history of the Copyright Act of 1976, is that Congress inserted the commerciality versus non-profit distinction simply to appease an interest group.⁵⁹ Still, the factor of commerciality should not be completely discounted.⁶⁰ Instead, the factor should weigh in favor of a defendant if the use of the copyrighted material is non-commercial but should not have any effect if the activity is commercial.⁶¹

⁵³ See 17 U.S.C. § 107 (1994); see also *supra* note 10 (listing the first factor).

⁵⁴ 150 F.3d 132 (2d Cir. 1998).

⁵⁵ See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 584 (1994) (stating that nearly all of the illustrative uses listed in § 107 are commercial in nature).

⁵⁶ The court stated that it did not make much of *The SAT's* commercial use, in line with *Campbell*. See *Castle Rock Entertainment*, 150 F.3d 132 at 142.

⁵⁷ Counsel, U.S. House of Representatives, Committee on the Judiciary, Subcommittee on Intellectual Property and Judicial Administration.

⁵⁸ Assistant Professor, The Catholic University of America, Columbus School of Law.

⁵⁹ See Patry & Perlmutter, *supra* note 10, at 678.

⁶⁰ It will probably be dealt with anyway in the analysis of the fourth factor—potential market harm. See e.g., *American Geophysical Union v. Texaco, Inc.*, 37 F.3d 881, 894–95 (2d Cir. 1994) (grappling with unique issues relating to commercial academic journals, in which the author's main royalties consist of personal prestige and the possibility of professional advancement, in the context of a potential market harm—fourth factor analysis), *amended*, 60 F.3d 913 (2d Cir. 1995).

⁶¹ The Copyright Act of 1976 assigns higher value to non-profit purposes. See *Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1374 (2d Cir. 1993). Note the focus is on the use rather than the entity. See Patry & Perlmutter, *supra* note 10, at 676. But for a case where the court focuses on the commercial entity, see *American Geophysical Union*, 60 F.3d 913, dealing with the photocopying practices of a researcher working for Texaco. It's actually more exciting then it sounds!

Next, the court of appeals attempted to determine whether the use of *Seinfeld* by *The SAT* was transformative.⁶² The court conceded that writing a trivia book about a television program involved creative expression.⁶³ The defendants decided which questions to ask, formulated the incorrect answers, interspersed them amongst the correct ones and placed the questions in order of difficulty.⁶⁴ Nevertheless, the court found that *The SAT* was not sufficiently transformative to justify a finding of fair use.⁶⁵ The court relied on *Twin Peaks Productions, Inc. v. Publications International, Ltd.*,⁶⁶ stating that *The SAT* was far less transformative than other works it had held not to constitute fair use.⁶⁷ In doing so, the court ignored its finding in *Twin Peaks Productions* that the allegedly infringing book, about the television show, served a fair use purpose and was a comment which could be considered transformative.⁶⁸

While the court in *Twin Peaks Productions* ultimately found the first factor to weigh against the defendant, this was not due to the book's overall non-transformative purpose.⁶⁹ Instead, the *Twin Peaks Productions* court reasoned that the defendant's book included a detailed report of the first eight episodes of the show, going far beyond a broad outline necessary for the transformative

⁶² A transformative use is one that is productive and uses the copied material in a different manner than the original. See Leval, *supra* note 8, at 1111. The secondary work must do more than supersede the original. See *id.* If the original is used as raw material and additions are made to it, such as new information, insights or aesthetics, the use will be considered transformative. See *id.* Transformative purpose does not ensure a successful case. See *id.* Although a transformative use is not necessary for finding fair use, for example, see *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 455 n.40 (1984), the goal of copyright is usually served by transformative uses. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994). The more transformative the new work, the less will be the significance of the other factors. See *id.* Parody has an obvious claim to transformative value. See *id.*

⁶³ See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 143 (2d Cir. 1998) ("To be sure, the act of testing trivia about a creative work, in question and answer form, involves some creative expression.").

⁶⁴ See *id.* at 143.

⁶⁵ See *id.*

⁶⁶ 996 F.2d 1366 (2d Cir. 1993).

⁶⁷ See *Castle Rock Entertainment*, 150 F.3d at 143 (citing *Twin Peaks Prods.*, 996 F.2d at 1378).

⁶⁸ See *Twin Peaks Prods.*, 996 F.2d at 1374 (stating that the book is surely a comment and perhaps even qualifies as criticism and news reporting).

⁶⁹ See *id.* at 1373-74 (explaining that, in determining fair use, purpose "is not an all or nothing matter").

purposes of comment or criticism.⁷⁰ The court considered the plot reports an abridgement of the television series and found that that they constituted a derivative use.⁷¹ The implication was that had the plot reports not been as detailed, the book, which also included trivia questions and other information about the show's characters, would have been transformative.⁷²

The district court in *Castle Rock Entertainment* followed the rationale of the *Twin Peaks Productions* decision and found that *The SAT*, which did not include any detailed plot summaries but only trivia questions and answers, was in fact transformative.⁷³ It concluded that *The SAT* was not a fair use despite its transformative purpose, due to other factors.⁷⁴ This author believes that the court of appeals was too quick to decide that *The SAT* did not have a transformative purpose.⁷⁵ The district court was more thorough in its analysis than the court of appeals.

There is an argument that fan activity such as the dissemination of a trivia book is transformative.⁷⁶ Fan writing has been characterized by the scholar Michel de Certeau as "poaching" or raiding on literary preserves and taking that which

⁷⁰ *Id.* at 1375

⁷¹ *See id.* at 1375-76.

⁷² *See id.* (explaining that defendant summarized the plaintiff's television series in great detail, as opposed to merely giving a brief indication of the plot and as such was not fair use).

⁷³ The district court found that *The SAT* qualified as "criticism, comment, scholarship, or research" under § 107 of the Copyright Act of 1976. *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 955 F. Supp. 260, 268 (S.D.N.Y. 1997), *aff'd*, 150 F.3d 132 (2d Cir. 1998). The court further found that *The SAT* was transformative due to its creativity. *See id.* The court reasoned that by testing *Seinfeld* fans on their knowledge of the program the defendants "added something new" to *Seinfeld*. *Id.*

⁷⁴ *See id.* at 272. The court drew its conclusion based on the following: 1) *Seinfeld* was a work of fiction, and as such, afforded a special status in copyright law; 2) *The SAT* drew upon essential elements of *Seinfeld* and little else; and 3) *The SAT* occupied a market which the plaintiff should have been able to control. *See id.*

⁷⁵ *See* Noel D. Humphreys, *When in Doubt Don't Copy*, 20 PA. LAW. 42, 42 (1998) (questioning on what principled basis a court can find a trivia book is different from a newspaper review of a *Seinfeld* episode).

⁷⁶ The district court found that the defendants identified a creative and original way to capitalize on the development of television culture in our society. *See Castle Rock Entertainment*, 955 F. Supp. at 268. People increasingly treat fictional television characters and their lives as though they have factual significance. *See id.*

is pleasurable.⁷⁷ In de Certeau's view, consumption of text is "making it one's own, appropriating or reappropriating it."⁷⁸ The "ability to transform personal reaction into social interaction . . . is one of the central characteristics of fandom."⁷⁹ The proposition that *The SAT* served a purpose that was distinguishable from that of the program *Seinfeld* is not as outlandish as the court and the plaintiff made it out to be.⁸⁰ The book would have allowed for interactive play and would not have "merely supersede[d]"⁸¹ the program. In fact, it is difficult to imagine that one would have any interest in the book without having already obsessively watched the program⁸² and the book would be serving a different social purpose.

⁷⁷ See Henry Jenkins III, *Star Trek Rerun, Reread, Rewritten: Fan Writing as Textual Poaching*, in CRITICAL STUDIES IN MASS COMMUNICATION, June 1988, at 86; see also Jon Pareles, *Parody, Not Smut, Has Rappers in Court*, N.Y. TIMES, Nov. 13, 1993, at A13 (regarding 2 Live Crew's fair use claim in the Supreme Court). In *Campbell v. Acuff-Rose Music, Inc.* 510 U.S. 569 (1993), 2 Live Crew claimed that its appropriation of Roy Orbison's song *Pretty Woman* was fair because it constituted a parody. In the article the journalist remarks:

Any song that is well enough known to make a takeoff worthwhile has probably raked in plenty of profits from sales, licensing agreements, sheet music, etc. Sometimes I'm tempted to suggest that any song that has sold more than a million (or maybe two million or five million) copies ought to go directly into the public domain, as if its fans have ransomed it from the copyright holders.

Pareles, *supra* at A13.

Thus, there is a layman's view of fair use, an intuitive limit on what fans believe should belong to those they support. Yet, to promote the goals of copyright it may have to be ensured that talented individuals are not cut off from their rewards on an arbitrary economic basis. It must be remembered that talent is not enough but that an artist or inventor must be willing to take a risk and risk is closely tied with potential reward (as well as self-realization of course).

⁷⁸ See Jenkins *supra* note 77, at 86.

⁷⁹ *Id.* at 88.

⁸⁰ Defendants claimed that *The SAT* was transformative because as a text testing one's knowledge it qualified as "criticism, comment, scholarship, or research" and because it was a work that decoded and critically restructured *Seinfeld*. *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 142 (2d Cir. 1998). The plaintiff dismissed these arguments as post-hoc rationalizations, claiming that had the book been as creative as this lawyering the defendant's may have had a chance. See *id.* The court rejected the defendant's claim finding that the trivia book was not a comment or criticism because it did nothing more than pose questions and it did not hold itself out to be critical. See *id.* at 142-43.

⁸¹ *Campbell*, 510 U.S. at 579 (quoting Leval, *supra* note 8, at 1111).

⁸² See *Castle Rock Entertainment v. Carol Publ'g Group, Inc.*, 955 F. Supp. at 271 (stating that the book compliments the show and would only be of value to someone who watched it).

B. Transformative Versus Transform

The term "transformative," as coined by courts and legal scholars, is used to describe the function of uses such as commentary, criticism, news reporting, and research.⁸³ These works appropriate material in order to bring out a message different from the one the original work embodies.⁸⁴ Yet, it does not seem correct to assert that a work that falls under the term "derivative,"⁸⁵ as defined in the Copyright Act, is necessarily not also transformative. This author does not doubt that there are several stories whose movie versions have served a completely different purpose than the original story. Sometimes simply changing an ending can have the effect of altering the work in its entirety. That does not mean that movie versions are not derivative works although they are at times transformative.

A trivia book is not specifically covered by the list of works that have been labeled derivative⁸⁶ nor does it match a specific definition of fair use.⁸⁷ Because both derivative works and fair use are so broadly defined, a trivia book could fit under either rubric.⁸⁸ Forming a dichotomy between two categories which overlap in content but only differ in the final label we give them is not very helpful.⁸⁹ This was the dichotomy established by the

⁸³ See Leval, *supra* note 8, at 1111. Leval notes that: if the quoted matter is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings—this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society.

Transformative uses may include criticizing the quoted work, exposing the character of the original author, proving a fact, or summarizing an idea argued in the original in order to defend or rebut it. They also may include parody, symbolism, aesthetic declarations and innumerable other uses.

Id. (footnote omitted); see also *supra* note 63 and accompanying text.

⁸⁴ Thus, a film critic may ruin a movie for the rest of us by telling us the whole plot and quoting all the good lines. She can shield herself from litigation with a bullet proof fair use defense. She is appropriating copyrighted material, but she is commenting, criticizing and reporting.

⁸⁵ See *supra* note 3.

⁸⁶ See *id.*

⁸⁷ See 17 U.S.C. § 107 (1994); see also *supra* note 10 (quoting § 107).

⁸⁸ See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 955 F. Supp. 260, 268 (S.D.N.Y. 1997) (noting absence of case law on the copyright status of a trivia book), *aff'd*, 150 F.3d 132 (2d Cir. 1998).

⁸⁹ In an attempt to clarify terminology, the Second Circuit created a false dichotomy between factor one, which evaluates transformative value, and factor four, which takes into consideration harm to the original and its derivatives. This

Second Circuit in *Castle Rock Entertainment*,⁹⁰ and it will be difficult to follow.

C. The Second Factor

The second factor of the fair use test considers the nature of the work infringed upon.⁹¹ Much like the commerciality element present in the first factor, this seems to be too general to tip the scale in favor of either side. Most of the time copyrighted works are fictional in nature and if not fictional they have some originality of expression or compilation.⁹² Originality is the sine qua non of copyright.⁹³ Thus, without the prerequisite of creativity we would not reach the claim of infringement or the fair use defense. The issue of fact or fiction of the elements copied is dealt with in the plaintiff's case in chief under the test for "substantial similarity."⁹⁴

At first blush, the second factor seems to mirror the "substantial similarity"⁹⁵ test of the copyright infringement claim without adding anything new. So what's the twist? Well, theoretically speaking, we now look at the nature of the copyrighted work as a whole, rather than solely at the element copied.⁹⁶ It is questionable whether the nature of the work will

may make the fair use test less efficient. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132 (2d Cir. 1998).

⁹⁰ See *id.*

⁹¹ See 17 U.S.C. § 107 (1994); see also *supra* note 10 (listing the second factor).

⁹² See *supra* note 6.

⁹³ See *id.*

⁹⁴ *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991) (stating a two part burden of proof for copyright infringement); see also 4 NIMMER & NIMMER, *supra* note 7, at 13-11 to -12 (describing both actual copying and substantial similarity). Substantial similarity measures whether the copying is significant as a matter of law. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 955 F. Supp. 260, 265 (S.D.N.Y. 1997), *aff'd*, 150 F.3d 132 (2d Cir. 1998).

⁹⁵ See *supra* notes 28-29 and accompanying text.

⁹⁶ See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586 (1994) (explaining that the second factor recognizes that some works receive more protection and citing cases that contrast fact and fiction; implying that fiction receives greater protection). Practically speaking, when would the second factor carry any weight? Well, perhaps if the work were generally factual but contained some fiction which an alleged infringer copied, the work as a whole would be less worthy of protection. Still, it seems more logical that a court would look at the specific elements copied. If the situation was reversed—that is if there was a fictional work from which factual information was copied, as mentioned in the text, we would not reach this point in the analysis. The exception would be if the alleged infringer copied a factual

have any effect on the fair use defense. A court is more likely to focus on the elements allegedly infringed upon which, as explained above, have already been determined to rise to the level of an original expression.⁹⁷ Alternatively, a court may not give this factor in and of itself much weight but allow it to become overshadowed by the first factor.⁹⁸ That was the approach taken by the court of appeals in *Castle Rock Entertainment*.⁹⁹

D. The Third Factor

The third factor of the fair use test deals with the amount and substantiality of the portion used.¹⁰⁰ The third factor seems to be intertwined with copyright infringement.¹⁰¹ If "substantial

arrangement rather than the facts themselves. See *supra* note 6. Another focus of the first factor may be the publication status of a book. The "nature" of the work has also been understood to mean whether it has been published or not. See *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 564 (1985) (noting that the inquiry is narrower with respect to unpublished works); *New Era Publications Int'l v. Henry Holt & Co.*, 873 F.2d 576, 583 (2d Cir. 1989). There is a view that the first factor should not revolve around the published/unpublished dichotomy. See *Leval, supra* note 8, at 1118-19.

⁹⁷ For example, in *Monster Communications, Inc. v. Turner Broad. Sys., Inc.*, 935 F. Supp. 490 (S.D.N.Y. 1996) the court viewed the second factor in light of the fact that the work infringed upon was a creative film deserving of heightened protection. Rather than concluding the second factor favored the plaintiff, the court went on to look at the specific elements copied and their factual nature. See *id.* at 494-95. The court also considered the level of transformativeness of the infringing work and decided it outweighed the harm caused by the infringement. See *id.* at 495. In sum, the second factor was wiped out with great ease.

⁹⁸ See *Campbell*, 510 U.S. at 586 (downplaying the significance of the second factor as a useful tool when the infringement is a parody).

⁹⁹ See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 955 F. Supp. 260, 142-44 (S.D.N.Y. 1997) (deciding that the second factor favored the plaintiff due to the lack of transformative value of the work), *aff'd*, 150 F.3d 132 (2d Cir. 1998). Thus, the determination of a work's transformative value colored the analysis of the second factor. *Id.*

¹⁰⁰ See 17 U.S.C. § 107 (1994); see also *supra* note 10 (listing the third factor).

¹⁰¹ See *Castle Rock Entertainment*, 150 F.3d at 144 (correcting the district court's error in determining that a finding of "substantial similarity" in a copyright infringement was sufficient evidence of the third factor of the fair use defense). The rationale of the district court would have suggested that the third factor would always weigh against the defendant because "substantial similarity" would necessarily have been proven by this point in the case. See *id.*

similarity" has been already established, why discuss it again?¹⁰² The variation is that it is now examined within the context of the purpose of the infringing work.¹⁰³ Thus, if the court of appeals had found that *The SAT* was somewhat transformative, it may have also considered that the amount copied by the book was not excessive. A trivia book about a television show must appropriate moments from the show in order to remind the readers of the show's content and help them reach the correct answers. Because the court did not find that the book had transformative value it was prejudiced against the defendant in weighing the third factor. This is understandable in light of the Supreme Court's guidance that a non-transformative purpose would be less deserving of a defense to copy large amounts from a copyrighted work.¹⁰⁴

Yet, the author believes that a rule based on a work's transformative value is too general and does not account for the fact that the amount taken will be highly dependent not only on the purpose of the work but on the medium of the copyrighted work, as well as the medium of the allegedly infringing work.¹⁰⁵ In addition, it is very difficult to ascertain whether works should be considered more or less transformative based on their content. Courts seem to have adopted the view that direct reproductions used distributively are least transformative while parodies are most transformative.¹⁰⁶ It may not serve the goals of copyright¹⁰⁷

¹⁰² See *Rogers v. Koons*, 960 F.2d 301, 311 (2d Cir. 1992) (noting that "[t]o a large degree, [the third] factor involve[d] the same analysis as that used when determining if the copy is substantially similar to the original").

¹⁰³ We have established that a substantial amount has been copied but are now considering the amount copied in relation to the type used. See *Campbell*, 510 U.S. at 586.

¹⁰⁴ The Supreme Court has stated that the more transformative a use, the more that can be taken by the user. See *id.*

¹⁰⁵ For example, a research project may require a greater appropriation of material than a skit on *Saturday Night Live*. This is due to the different media and does not necessarily correlate with the level of transformativeness.

¹⁰⁶ Even at the extremes we find ourselves in murky waters. It is not always clear what parody is and whether it must use the copyrighted work as a vehicle or as a target. The Second Circuit has ruled that a parody does not have to comment on the original but can comment on society at large. See *Elsmere Music, Inc. v. National Broad. Co.*, 623 F.2d 252, 253 (2d Cir. 1980) (explaining that copyright law needs to be accepting of the humor of parody in today's society of "unrelieved solemnity"). The Second Circuit has also held that a parody cannot be on life in general. The copyrighted work must be in part the object of parody. See *MCA, Inc. v. Wilson*, 677 F.2d 180, 185 (2d Cir. 1981) ("We agree with appellants' argument to the extent of

holding that a permissible parody need not be directed solely to the copyrighted song but may also reflect on life in general.”). In deciding how much a parody can take, the Second Circuit has used the “conjure up” test, in which a parody is allowed to at least “conjure up” the original. See *Elsmere Music, Inc.*, 623 F.2d at 253 n.1; see also *Yankee Publ'g, Inc. v. News Am. Publ'g, Inc.*, 809 F. Supp. 267, 280 (S.D.N.Y. 1992) (citing *Rogers*, 960 F.2d at 310 for the proposition “that there cannot be a parody if the object of the parody is unknown to the audience”); E. Scott Fruehwald, *The Parody Fair Use Defense After Campbell*, 18 COLUM.-VLA J.L. & ARTS 103, 131 (1994) (discussing different commentators’ theories on parody and fair use, including absolute protection of a parody as suggested by Michael C. Albin; more limited protection or “critical effect” as suggested by Susan Faaland; an economic/market failure approach suggested by Brian R. Landy; parody as First Amendment speech suggested by Charles Goetsch; a functional test suggested by Nimmer; apportionment of profits as a solution to parody as suggested by Melanie C. Clemmons).

Courts do not always find that a parody can overcome other fair use factors when it is used as an advertisement (commerciality at its extreme). See *Tin Pan Apple, Inc. v. Miller Brewing Co.*, 737 F. Supp. 826, 828–33 (S.D.N.Y. 1990) (rejecting a parody defense to a rap group’s style). But see *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 117 (2d Cir. 1998) (holding use of photos constitutes parody deserving of the fair use defense); *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 448 (N.D. Ill. 1991) (holding for defendant because there was no harm to plaintiff’s market). Courts generally do not appreciate parodies when they are of children’s favorite characters. See *Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc.*, 642 F. Supp. 1031, 1035 (N.D. Ga. 1986) (dealing with Cabbage Patch Kids); *DC Comics, Inc. v. Crazy Eddie, Inc.*, 205 U.S.P.Q. (BNA) 1177 (S.D.N.Y. 1979) (dealing with *Superman*). But see *Warner Bros. Inc. v. American Broad. Cos.*, 720 F.2d 231 (2d Cir. 1983). In *Warner Bros.*, the court dealt with a parody of *Superman* on the television show *Greatest American Hero*. See *id.* at 235. The court did not find substantial similarity and did not reach the issue of fair use. See *id.* at 243. The court explained that it is inevitable that in an era of mass communication, popular phrases and fragments of expression will become part of language. See *id.* at 242. Regardless of how well-known a copyrighted phrase becomes, its author can guard against its appropriation for the sale of commercial products. See *id.* For example, the court discussed the *Crazy Eddie* parody of *Superman* which was not permitted. See *id.* (“Look! . . . Up in the sky! . . . It’s a bird! . . . It’s a plane . . . It’s *Crazy Eddie*!”). Curiously, the court did not consider that the television show at issue (*Greatest American Hero*) was just as commercial as *Crazy Eddie*, although perhaps not as insane. For another case of usage of a children’s character where the court found infringement, see *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394 (9th Cir. 1997), cert. dismissed, 521 U.S. 1146 (1997). The court found that *The Cat Not in the Hat!*, a parody of the O.J. Simpson trial written in the style of the author was not fair use. See *id.* at 1396. When analyzing the first factor the court determined that the use was not transformative, because it brought no new expression, meaning, or message. See *id.* at 1401. The court seemed to have decided ahead of time that it was not going to allow the writer to get away with appropriating a children’s character for controversial commentary. Otherwise, how could the court have found that the book was wholly non-transformative when it took only the style of the writer and came up with creative ideas? The following is a sample passage:

A happy town

to base the third factor analysis mainly on how transformative the work is, without considering the uniqueness of each medium.¹⁰⁸

Inside L.A.
Where rich folks play
The day away.
But under the moon
The 12th of June.
Two victims flail
Assault! Assault!
Somebody will go to jail!
Who will it be?
Oh my! Oh me!
Another passage was as follows:
A plea went out to Rob Shapiro
Can you save the fallen hero?
And Marcia Clark, hooray, hooray
Was called in with a justice play.
A man this famous
Never hires
Lawyers like
Jacoby-Meyers.
When you're accused of a killing scheme
You need to build a real Dream Team.
Cochran! Cochran!
Doodle-doo
Johnnie, won't you join the crew?
Cochran! Cochran!
Deedle-dee
The Dream Team needs a victory.

Id.

For another case where the court found infringement by a work that could arguably be classified as a parody, see *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 758 (9th Cir. 1978) (stating excessive copying on its own may preclude fair use even without an analysis of the remaining relevant factors).

¹⁰⁷ See *supra* note 1.

¹⁰⁸ Because the fair use is so fact sensitive it is difficult to predict what courts will find transformative. In addition to all the fair use factors, the fact patterns that come up are also unpredictable. The comparison of media is non-linear and therefore sometimes it is difficult to ascertain what is substantially similar and, later in the case, what is transformative. It may be helpful to simply survey cases that deal with different media. For a case that deals with the transformation of a photo to a sculpture, see *Rogers*, 960 F.2d at 304-05. In *Rogers*, a photographer claimed his copyright in an original photo was infringed upon by a three-dimensional sculpture. See *id.* at 305. The court rejected the fair use defense. See *id.* at 306. The sculpturer claimed to be making a statement about modern culture by using a popular photo that was part of collective subconsciousness. See *id.* at 309. The court did not think the work rose to the level of parody. See *id.* at 310. It did not believe the work to be transformative. The court claimed that the essence of the plaintiff's work had been taken and that was more than necessary for a parody. See *id.* at 311. It seems that

E. The Fourth Factor

The fourth factor considers the effect of the use of the infringing work upon the potential market for, or value of, the copyrighted work.¹⁰⁹ Under this factor, the extent of market

for the purposes of pop-art one should be able to use an entire object. Sometimes simply placing an object in an unfamiliar setting is art. The court did not analyze the medium of sculpture nor the kind of taking that the artist's style required. It only spoke of parody in a generic sense and decided that too much protected material had been appropriated. *See id.*; *see also* United Feature Syndicate v. Koons, 817 F. Supp. 370, 372 (S.D.N.Y. 1993) (finding that the sculpture of the cartoon character Odie by the same artist was not fair use). Art will not immunize an infringer, especially if the art is for sale. *See id.* at 379.

Courts have been more liberal with respect to infringing songs although there has been fluctuation and disagreement as to how much can be taken. *See* Benny v. Loew's Inc., 239 F.2d 532, 537 (9th Cir. 1956) (stating that parody should not receive special treatment and that one cannot copy the substance of another's work without infringing his copyright); *see also* MCA Inc., 677 F.2d at 185 (holding Cunnilingus Champion of Company C was not fair use of Boogie Woogie Bugle Boy of Company B since it was not a parody of the song).

We are not prepared to hold that a commercial composer can plagiarize a competitor's copyrighted song, substitute dirty lyrics of his own, perform it for commercial gain, and then escape liability by calling the end result a parody or satire on the mores of society. Such a holding would be an open-ended invitation to musical plagiarism.

Id. But *see id.* at 188 (Mansfield, J., dissenting) (advocating a broader view of parody and stating that whether parody is obscene is irrelevant to fair use decision; stating that a successful artist must tolerate a higher degree of criticism from others, much like a public figure).

For a case discussing a biography, *see New Era Publications Int'l v. Carol Publ'g Group*, 904 F.2d 152, 161 (2d Cir. 1990) (holding defendant's use of quotations from L. Ron Hubbard's published works on The Church Of Scientology was protected when used in a critical biography of Hubbard). But *see* Salinger v. Random House, Inc., 811 F.2d 90, 100 (2d Cir. 1987) (holding that a biographer was not protected by fair use, because the taking of author J.D. Salinger's unpublished letter was too extensive). *See* Wright v. Warner Books, Inc., 953 F.2d 731, 740 (2d Cir. 1991) (holding that the use of Richard Wright's unpublished letter in a biography was fair, important to the public, not exploitative of literary value, and not extensive); *see also* Norse v. Henry Holt & Co., 847 F. Supp. 142 (N.D. Cal. 1994) (dealing with the claim by an author of an unpublished letter that his rights were infringed upon by publication of a biography). As noted, decisions flip like a fish out of water because the defense is so fact sensitive.

Measuring fair use is difficult within the context of mass communications, pop-culture, and constant dialogue between advertisers and viewers with common language taken from television land. Courts have found that fictional characters are protected. *See* Warner Bros. Inc. v. American Broad. Cos., 720 F.2d 231, 235 (2d Cir. 1983) (Superman is protected); *New Line Cinema Corp. v. Bertlesman Music Group*, 693 F. Supp. 1517, 1521 n.5 (S.D.N.Y. 1988) (Freddy is protected); *Anderson v. Stallone*, 11 U.S.P.Q.2d (BNA) 1161, 1166-67 (C.D. Cal. 1989) (Rocky is protected).

¹⁰⁹ *See* 17 U.S.C. § 107 (1994); *see also supra* note 10 (listing the fourth factor).

harm and whether conduct of the kind engaged in by the alleged infringer would harm the potential market for the original or its derivative markets is considered.¹¹⁰ Thus, the original and its potential derivative markets are compared to a possible transformative use, taking us back to the first factor.¹¹¹ It is asked once again if the allegedly infringing work is within the realm of the author's control or if its qualities are so transformative that they could not reasonably be held to be within the author's domain.¹¹² Once it is found that a use is highly transformative, it will probably be found that it is not derivative. At the other end of the scale, a copyright holder cannot preempt the market for works that are transformative.¹¹³ The analysis is circular. It asks where the limit should be set while setting it.

It is integral to the analysis that the fourth factor is not concerned with whether the secondary use suppresses or destroys the market for the original or its derivative, but whether it usurps or substitutes for the original and its derivative market.¹¹⁴ This does not simplify the analysis because in order to determine when an opportunity has been usurped from the copyright holder it is asked once again whether the use was transformative, thus barring the holder from expecting a return for the usage. What should be considered derivative other than what is listed in the Copyright Act¹¹⁵ and what should be considered transformative other than § 107?¹¹⁶ This is a world where copyright holders increasingly tend to be huge

¹¹⁰ See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590–92 (1994).

¹¹¹ See *id.* at 591 (stating that market harm is less likely if a work is transformative, especially if it is a parody). The transformative purpose was ascertained by the first factor.

¹¹² See *id.* (citing *Bisceglia*, ASCAP, Copyright Law Symposium, No. 34, at 23 for the proposition that the parody and the original serve different markets).

¹¹³ A secondary user cannot exploit markets that the original copyright holder would develop or license even if he or she had not actually done so. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 145 n.11 (2d Cir. 1998). Similarly, copyright owners cannot preempt exploitation of transformative markets. See *id.* A copyright owner cannot enter fair use markets in order to prevent others from entering those markets. See 4 NIMMER & NIMMER, *supra* note 7, §13.05[A][4], at 13-181 to -182; see also *American Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 930 (2d Cir. 1994).

¹¹⁴ See *Campbell*, 510 U.S. at 593.

¹¹⁵ See 17 U.S.C. § 106 (1994); see also *supra* note 3 (quoting § 106 in part).

¹¹⁶ See *supra* note 10.

conglomerates who control far-reaching markets¹¹⁷ and favor a total merchandise strategy.¹¹⁸ At the same time, there are now more technologies facilitating the public's ability to gain access to and transform other people's work.¹¹⁹ This tension makes the fourth factor along with its first factor alter ego very difficult to resolve.

In *Castle Rock Entertainment*, the court of appeals once again allowed the finding that *The SAT* was not transformative to color its analysis. The court conceded that Castle Rock had little, if any, interest in exploiting the trivia book market.¹²⁰ Yet, it categorized the book as a derivative work.¹²¹ It is understandable that a copyright holder has the right to refrain from exploiting a market. It is doubtful, however, that an unrealized market is indeed a derivative one if there is no evidence that shows the owner's interest in it, nor reference to it in the Copyright Act as derivative. On the other hand, proving that the use was not within the owner's domain would have been just as difficult for the defendants who were required to bear

¹¹⁷ See generally DONALD E. BIEDERMAN, ET AL., LAW AND BUSINESS OF THE ENTERTAINMENT INDUSTRIES 3-5 (3d ed. 1996) (describing trends of consolidation).

¹¹⁸ See generally HORACE NEWCOMB, TELEVISION: THE CRITICAL VIEW (5th ed.) (reprinting Christopher Anderson, *Disneyland*, in HOLLYWOOD TV (University of Texas Press 1993)). Walt Disney was a pioneer in total merchandising or creating an all-encompassing consumer environment. He united a television program and amusement park under the same name. See *id.* at 71. His products included movies, amusement park rides, toys, television programs, and more. See *id.*

¹¹⁹ For example, video games are uploaded and downloaded from computer controlled electronic billboards. See *Sega Enters. Ltd. v. Maphia*, 948 F. Supp. 923 (N.D. Cal. 1996). The Internet has not been afforded special status with respect to fair use. See *Religious Tech. Ctr. v. Lerma*, 40 U.S.P.Q.2d (BNA) 1569, 1574 (1996). A copyright infringement claim on the Internet must be judged with reference to § 107. See *id.* (explaining that the factors in § 107 must always be considered in determining what is fair use). See generally Jonathan Dowell, *Bytes and Pieces: Fragmented Copies, Licensing, and Fair Use in a Digital World*, 86 CAL. L. REV. 843 (1998) (analyzing fair use from an economic perspective and the function it serves to prevent market failure and predicting the results of the doctrine's confrontation with developed licensing schemes); DanThu Thi Phan, Note, *Will Fair Use Function on the Internet?*, 98 COLUM. L. REV. 169 (1998) (discussing current proposals generated by the Conference on Fair Use and suggesting they will cause an imbalance in copyright law).

¹²⁰ See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 144-45 (S.D.N.Y. 1998).

¹²¹ See *id.* at 143.

both the burden of production and persuasion.¹²² In general, the fourth factor poses a problem of proof for both parties. In this case, neither party was convincing as to whether the trivia book at issue constituted a derivative work, yet the court found in favor of the plaintiff. In determining whether an opportunity had been usurped by *The SAT*, the court of appeals was forced to rely on *Seinfeld's* not so secret ingredient—*nothing*.

CONCLUSION

The SAT may not have been highbrow research or particularly enlightening, but it did deserve some “transformative” credit. That is not to say it would have overcome all of the fair use factors. Yet, by sharply ruling out any transformative value as a matter of law and using that as a sword that would cut off all the other factors of the fair use defense, the court of appeals went too far. The fair use test allows courts to consider any, all, or none of the factors and to rely on additional factors as well. Theoretically, courts follow the yellow brick road and apply the four factors. On many occasions, however, it seems as though courts are only going through the motions of applying the test and their holdings are more a matter of taste than a matter of law. The attempt to view fair use as a

¹²² Fair use is an affirmative defense in which the defendant bears the burden of production and persuasion. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994). While affirmative defenses may be raised in a motion to dismiss, defenses such as fair use which require lengthy analysis are better resolved at a later stage of discovery by a summary judgment motion or adjudications at trial. See *Int-Elect Eng'g v. Clinton Harley Corp.*, 27 U.S.P.Q.2d (BNA) 1631, 1633 (1993).

Before the assertion that fair use was an affirmative defense was made by the Supreme Court, and even after it was made, there were procedural misunderstandings by the lower courts. The Supreme Court's decision of the case *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984), caused much confusion with respect to presumptions. That case proposed that every commercial use carried with it a presumption that the use was unfair. After that decision came down, several courts were applying these presumptions in the technical sense (shifting the burden of proof). *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985), changed language of “presumption” to “tendency.” In *Sony Corp.*, there was also a presumption that if the use was commercial, harm was presumed. See *Sony Corp.*, 464 U.S. at 451. In *Campbell*, the Court cleared the matter up by stating there was no inference or presumption of market harm in any case that involved more than pure duplication. See *Campbell*, 510 U.S. at 591. See generally Patry & Perlmutter, *supra* note 10, at 688. It seems from *Campbell* that we can place transformative value on a continuum that ranges between duplication and parody, with duplication being the least transformative and parody the most.

set of four distinct factors, operating independently, is nearly impossible. Courts should not, however, avoid this difficulty by combining the factors into *one*. Allowing the factors to interact, overlap, clash, and yes, even to confuse us, will promote progress, which is the central goal of copyright law.

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